



## Facts About Redmond's Proposed Levy Lid Lift & Property Taxes

### THE PROPOSED LEVY LID LIFT

The City is proposing a 65 cent per \$1,000 of assessed valuation increase in the property tax levy. Your opportunity to vote on this proposal will be May 16, 2006.

Money raised will go primarily towards police and fire services. Other money will be used to maintain parks and streets, replace city equipment (e.g. fire engines, aid cars, and computers), invest in transportation, parks, and other capital facilities, and support general city operations.

### FACTS ABOUT PROPERTY TAXES

For the average homeowner in Redmond, the amount paid in property taxes to the City is about the same today as it was 10 years ago, even though the value of an average home has nearly doubled.

#### Comparison of Assessed Value and Taxes Paid to the City

by an Average Redmond Homeowner

	1996	2006	
Assessed value of your home	\$189,600	\$383,400	← Home value nearly doubled
Levy rate per \$1,000 of assessed valuation	\$2.44	\$1.23	← Tax rate declined 50%
Redmond's share of property tax bill	\$463	\$472	← Amount you pay

Redmond's property tax rate has been declining for years. \$1.23 is the lowest levy rate that property owners have paid in over 30 years and represents a 71% decrease from the 1980 rate of \$4.28.

### Historical Property Tax Rate

Year	Levy Rate per \$1,000 of Assessed Value
1980 (Highest Rate)	\$4.28
1996	\$2.44
1997	\$2.39
1998	\$2.30
1999	\$2.13
2000	\$1.96
2001	\$1.76
2002	\$1.60
2003	\$1.57
2004	\$1.59
2005	\$1.58
2006	\$1.23

Rate has declined  
**71%** since 1980

## HOW PROPERTY TAXES WORK

### Basic Property Tax Equation

$$\text{City Property Taxes to be Collected*} \times \frac{\text{Your Home's Assessed Value}}{\text{Total Assessed Value of Properties in Redmond}} = \text{City's Portion of your Property Tax Bill}$$

**\*May only increase if:**

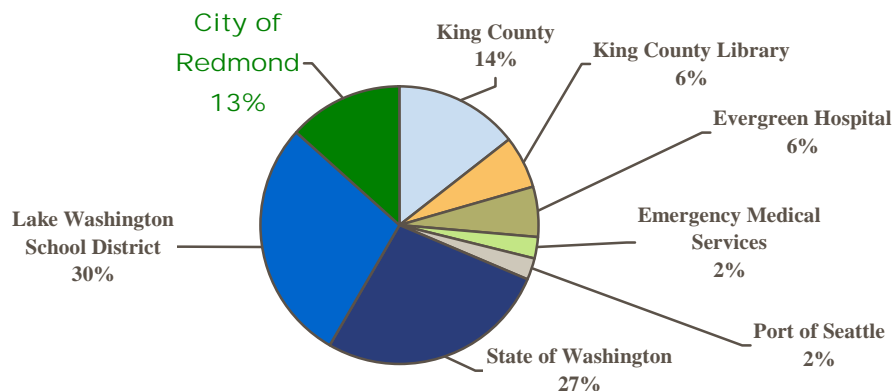
- City Council approves an increase (limited to 1% per year)
- Voters approve a levy lid lift
- Or new construction and annexations occur

## SOME COMMON MYTHS ABOUT PROPERTY TAXES

**Myth #1:** Redmond receives all property tax dollars that are paid by a property owner.

**Fact:** **Only 13% of your property tax bill comes to Redmond.**

Breakdown of Property Taxes Paid by a Typical Redmond Resident



**Myth #2:** As your home value increases, the City receives more property tax revenue.

**Fact:** **Rising home values have no impact upon the amount of property tax revenue the City receives.**

The City's property tax increases only if:

- The City Council approves an increase. City increase is limited to 1% per year, which generates approximately \$130,000 annually.
- Voters approve a levy lid lift.
- Or new construction and annexations occur.

**Myth #3:** New construction generates a significant amount of property tax for the City.

**Fact:** **New construction only generates a small amount of property tax revenue.**

Based on Redmond's 2006 levy rate of \$1.23 per \$1,000 of assessed value:

- A new building valued at \$10 million generates \$12,300 of new revenue.
- A new building valued at \$100 million generates \$123,000 of new revenue.